



**FORM 51-102F1
TORCH RIVER RESOURCES LTD.
MANAGEMENT DISCUSSION & ANALYSIS**

For the Year Ended October 31, 2008

This Management Discussion and Analysis (“MD&A”) was prepared February 25, 2009.

This MD&A of the results of operations and the financial condition of Torch River Resources Ltd. (“Torch” or the “Company”) supplements but does not form part of the audited financial statements and accompanying notes of the Company for the year ended October 31, 2008. Consequently, the following discussion and analysis of the financial condition and results of operations of Torch River Resources Ltd should be read in conjunction with the audited financial statements for the year ended October 31, 2008 and with the unaudited quarterly interim financial statements dated January 31st, April 30th and July 31, 2008.

This MD&A contains certain forward-looking information. All information, other than historical facts included herein, including without limitation data regarding potential mineralization, exploration results and future plans and objectives of Torch is forward-looking information that involves various risks and uncertainties. There can be no assurance that such information will prove to be accurate and actual results and future events could differ materially from those anticipated in the forward looking information made as of the date of this MD&A.

With respect to timely disclosure by Torch of data and information in general, and especially in the MD&A, materiality and material information is considered by the Company as something that would be likely to affect the Company’s share price or influence an investor’s decision whether or not to buy, sell, or hold shares once it becomes known to the public.

Additional information can be found on Torch on the SEDAR website (www.sedar.com) and on the Company’s website (www.torchriver.ca)

GENERAL

Torch is a junior resource company involved in the acquisition and exploration of property interests that are considered potential sites of economic mineralization. Torch holds a prospective exploration property portfolio in British Columbia and Manitoba and is in the process of evaluating these properties and has not yet determined whether they contain reserves that are economically recoverable. Torch has been focusing its main efforts on exploring for molybdenum in British Columbia.

Torch is a reporting issuer in Alberta and British Columbia and is a listed Tier 2 issuer on the TSX Venture Exchange, trading under the symbol “TCR”. The Company is a venture issuer and is not required to file an Annual Information Form.

GENERAL DEVELOPMENT OF THE BUSINESS

Torch River Mines Ltd. was incorporated on June 18, 1997, by Certificate of Incorporation issued pursuant to the provisions of the *Companies Act* (Alberta) and extra-provincially registered to carry on business in the provinces of Saskatchewan, Manitoba and British Columbia.

Torch River Mines Ltd held 100% interests in the High Rock Mineral Claim Block (gold) and the Climpy Mineral Claim both located in Island Lake Manitoba for the purpose of exploring and developing mining claims in northern Manitoba acquiring its interest in the mineral properties. Since incorporation Torch River Mines Ltd. has acquired claims in the Island Lake area located approximately 500 kilometers northeast of Winnipeg, Manitoba, and approximately 20 kilometers from the town of Garden Hill, Manitoba.

On March 26, 2004, the Company was officially formed from the amalgamation of Tael Capital Inc. and Torch River Mines Ltd. under the *Business Corporations Act* (Alberta) under the name Torch River Resources Ltd. The amalgamation was the Company's Qualifying Transaction for listing on the TSX Venture Exchange.

On July 8, 2005, the Company signed an option agreement with Red Bird Resources Ltd. (the "Red Bird Option Agreement") on a mineral claim located in the central coastal region of British Columbia, 105 kilometers north of the town of Bella Coola and 140 kilometers southwest of Houston, British Columbia (the "Red Bird Property").

In July, 2007, 100% interest in the Grouse Mountain Property (silver) was acquired.

On February 12, 2008, the Company signed an option agreement (the "Mount Copeland Option Agreement") a past producing molybdenum property located near Revelstoke, British Columbia (the "Mount Copeland Property").

SUMMARY OF PROPERTIES

Red Bird Property

The Red Bird molybdenum property consists of three mineral claims situated in the Skeena Mining Division of west central British Columbia 133 kilometers southwest of Burns Lake and 105 kilometers north of Bella Coola. The property covers an area of 1,256.3 hectares between latitudes 53°16'39" to 53°18'16" North and longitudes 126°59'10" to 127°3'39" West (Universal Transverse Mercator NAD83 coordinates 5905047 to 5908034 North and 629255 to 634234 East) in NTS map-area 93E/6. In 2006, a further 696 hectares was added to the Torch River claims.

On July 8, 2005 Red Bird Resources Ltd and the Company entered the Red Bird Option Agreement for the Red Bird Property. The Company has met the commitments due as at this report date. As of May 31, 2008 the Company is the legal and beneficial owner of a non-transferable 25% undivided interest in the property (as defined by the Red Bird Option Agreement which is available on the Company's SEDAR site accessed through www.sedar.com).

The Red Bird Property represents an advanced molybdenum, copper and rhenium porphyry target. Historic work completed by Phelps Dodge and Craigmont Mines Ltd.

have outlined three deposits that could be developed by open pit mining methods. The data base for Phelps Dodge holes consisted of just cross sections with assay composites shown. The assays and drill hole coordinate information was all available for the Craigmont drill holes.

During August 2005, under the direction of A. Kikauka, Craigmont drill core was re-sampled and assayed for molybdenum and copper. This was done from 133 drill hole cores and over 1,400 assay samples. Sub-sets of data were also assayed for gold and rhenium.

In 2006 work on Red Bird Property was escalated and the camp and amenities were upgraded; environmental and safety standards improved as the facility was prepared to expedite current and future work programs. A 1,940 metre drilling program was coordinated through ResourceEye Services Inc. with Ron Parent as the independent P. Geo. on site. Two holes were extended beyond planned depth to determine mineralization levels. There was a 7 km Induced Polarization and Magnetometer (IP) program conducted by Scott Geophysics and rock sampling performed. \$1.2 million was invested in the Red Bird property during the 2006 fiscal year.

The 2007 work program commenced in June, 2007. A ten hole drill program was completed with total drilling of 2,645 meters or 8,679 feet of core. This drill program focused on the western extension of the Main Zone, an area that had never been drilled before.

The latest NI 43-101 was completed January 11, 2008 is posted on SEDAR. This NI 43-101 covered the 2007 drilling program. It reported in the indicated category of Mo, 88.2 million tonnes versus 43.3 million tonnes in 2006 (an increase of 103.7%) and the contained Mo increased from 61.2 million pounds to 118.6 million pounds (93.8% increase). The offset was a reduction to the inferred category. The total tonnage of the resource at a 0.03% Mo cutoff has increased by 33% while the contained molybdenum increased by 29%.

The 2008 program consisted of 5,034 meters (16,516 feet) of drilling and assay results were reported on receipt. On May 31, 2008 the Company attained a 25% undivided interest in the property.

High Rock Property and Climpy Property

The High Rock Property and the Climpy Property are gold prospects in northeast Manitoba located approximately 8 kilometers apart and cover approximately 1,544 hectares. The High Rock Property consists of 9 mining claims covering 1,301 hectares and the Climpy Property consists of one claim covering 243 hectares. Torch holds a 100% interest in all claims. There was 895 feet of drilling done in 2004. Assay results range from trace to .154 oz/t of gold. Further comprehensive development in the form of bulk sampling will be required on both the Juniper Vein as well as the Main Vein to establish the economic viability of the property. There was no drilling or additional exploration done in 2008.

Grouse Mountain Property

The Grouse Mountain Property consists of six mineral claims covering a total of 1,574.5 hectares at Grouse Mountain, British Columbia. This property was acquired in July 2007. There was no drilling done in 2008. In response to a regional gravity survey release in 2008, Torch added two additional claims in this area. The added claims total an additional 736.7 hectares.

Mount Copeland Property

The Mount Copeland Property featured underground production (1970-73) which produced 169,729 tonnes and recovered 2,625,073 pounds of molybdenum (0.7% recovered Mo). When the Mount Copeland Property was in production in 1970 development work indicated 163,340 tonnes of ore at a grade of 1.83% MoS₂ (or 1.1 % molybdenum). The ore indicated prior to mining has been essentially extracted. The information above is included for comparison purposes only. The information is derived from the MINFILE Record Summary for MINFILE No. 082M 002 (Mount Copeland), B.C. Ministry of Energy, Mines and Petroleum Resources and the MINFILE Productions Detail Report, B.C. Geological Survey, B.C. Ministry of Energy, Mines and Petroleum Resources, which may be viewed at:

<http://minfile.gov.bc.ca/Summary.aspx?minfilno=082M++002>

http://minfile.gov.bc.ca/report.aspx?f=PDF&r=Production_Detail.rpt&minfilno=082M++002

TRANSACTIONS WITH RELATED PARTIES

Mount Copeland Option Agreement

On February 14, 2008 Torch announced that it had signed the Mount Copeland Option Agreement. The vendors of the Mount Copeland Property are William E. Pfaffenberger, President, CEO and a director of Torch, J. John Kalmet, Andris A. Kikauka and Multiplex Enterprises whose sole director and officer is Grant B. Anderson.

The consideration to be paid by Torch under the Mount Copeland Option Agreement shall be up to \$475,000.00 in cash, 1,300,000 shares of Torch and a work program to be carried out by Torch on the Mount Copeland Property at a cost of approximately \$500,000.00. The vendors shall also be entitled to a net smelter royalty of 2.75% on all minerals mined.

The consideration to be paid by Torch shall be allocated as follows below:

Payment	Status
Upon execution of the letter of intent, \$15,000.00 as a non-refundable deposit;	Paid
At the option of Torch, either: (a) \$25,000 plus 200,000 shares of Torch on or before April 28, 2008; or (b) \$10,000 on or before April 28, 2008 and \$25,000 plus 200,000 shares of Torch on or before June 30, 2008;	Paid

April 28, 2009, \$25,000.00 plus 200,000 shares of Torch;	Outstanding
April 28, 2010, \$200,000.00 plus 900,000 shares of Torch;	Outstanding
April 28, 2011, \$200,000.00.	Outstanding

Torch has the right to terminate the Mount Copeland Option Agreement at various stages of the agreement. This transaction is deemed a “Non-Arms Length” transaction. All of the consideration shall be divided by the vendors based upon their ownership percentage, with there being no finders’ fee payable.

Torch has received approval from the TSX on this transaction and has made the first option payment of \$25,000 (plus the \$10,000 paid in April to extend the option date) and 200,000 shares in June 2008. Torch was encouraged by sampling programs taken on the property in 2005 and 2007 and had an independent geologist review and compile data on the property as part of the due diligence process.

In 2008, the drill program consisted of 7 holes to a total depth of 2,164 meters (7,142 feet). The results of this program were summarized in a press release dated December 2, 2008.

SUBSEQUENT PROPERTY ACQUISITION

The company announced on February 12, 2009 that it has signed an option agreement (the “**Nahmint Option Agreement**”) with a private group of vendors under which Torch may earn a 75% interest in the 14 Crown grants and 18 cell mineral claims known as the Nahmint property (the “**Nahmint Property**”), located in the Alberni Mining District on Vancouver Island, British Columbia.

Under the terms of the Nahmint Option Agreement, Torch shall earn up to a 75% interest in the Nahmint Property by paying the vendors up to an aggregate of \$351,000 over 5 years, spending up to \$1,350,000 on work programs on the Nahmint Property over 5 years and issuing up to an aggregate of 10 million shares to the vendors over 5 years. The Nahmint Property shall be subject to a net smelter royalty of 2%, payable to the vendors, of which 1% can be purchased by Torch for \$1,000,000. Further, all of the consideration shall be divided by the vendors based upon their ownership percentage, with there being no finders’ fee payable. Torch shall be the operator for the projects conducted on the Nahmint Property.

Details are posted on www.sedar.com.

CONTRACTUAL OBLIGATIONS

The Company does not carry any long term debt. Field equipment had been placed on a finance contract as this was deemed the most cost effective method of furnishing those needs at camp site. The commitments on this equipment will be paid within the next fiscal year. The Company also has financial obligations under the Red Bird Option

Agreement including a payment of \$4,000,000 due on Dec 31, 2008. This payment was not made on December 31, 2008.

Red Bird Option Agreement

On July 8, 2005 Red Bird Resources Ltd. and the Company entered into the Red Bird Option Agreement on the Red Bird Property. This agreement provides the Company the sole and exclusive right and option to acquire up to and including one hundred percent (100%) undivided interest in and to the Red Bird Property free and clear of all charges, encumbrances, claims, royalties and net profit interests of whatsoever nature except as set forth.

The cash payments to be made by Torch under the Red Bird Option Agreement are as follows:

Payment Details	Status
A non-refundable sum of \$50,000 payable on or before execution of the Option Agreement to acquire all pertinent technical and geological data relevant to the property;	Paid
The sum of \$50,000 to be paid on or before June 15, 2005;	Paid
The sum of \$200,000 to be paid on or before May 15, 2006	Paid
The sum of \$500,000 to be paid on or before May 15, 2007;	Paid
The sum of \$500,000 to be paid on or before May 15, 2008;	Paid
The sum of \$4,000,000, to be paid on or before December 31, 2008	Outstanding

The common share issuances to be made by Torch under the Red Bird Option Agreement are as follows:

Issuance Details	Status
1,000,000 Shares within fifteen (15) days of receiving approval from the TSX Venture Exchange Inc. ("Exchange") and the shareholders of the Company;	Issued
2,000,000 Shares on or before May 15, 2007;	Issued
2,000,000 Shares on or before May 15, 2008	Issued
2,000,000 Shares on or before May 15, 2009;	Outstanding
3,000,000 Shares on or before December 31, 2009.	Outstanding

Torch is also required to fund a work program under the Red Bird Option Agreement as follows:

Details of Expenditures	Status
The sum of \$150,000 for the initial work program on the Property;	Expended
The sum of \$500,000 to be paid on or before May 15, 2006;	Expended
The sum of \$750,000 on or before May 15, 2007;	Expended
The sum of \$750,000 on or before May 15, 2008.	Expended

In addition, Red Bird Resources Ltd. shall be entitled to retain a 2.50% (amended in 2006) net smelter return (“NSR”) royalty on the Red Bird Property upon transfer of the Red Bird Property to the Company.

SELECTED ANNUAL INFORMATION			
Item	October 31 2008	October 31 2007	October 2006
Cash & Cash Equivalents	\$ 421,220	\$ 2,120,003	\$ 129,033
Mineral Properties, deferred exploration	7,504,063	4,521,506	2,469,218
Working Capital	610,178	2,277,845	19,110
Net Sales	-	-	-
Loss before extraordinary items	357,448	751,364	304,229
Net Loss	357,448	751,364	304,229
Loss per share and fully diluted loss per share	.01	.02	.01
Total Assets	8,507,240	7,021,419	2,846,031
Total Long Term Financial Liabilities	-	23,357	48,589
Dividends			

The above table is in stated dollars; these financial statements have been prepared on the basis of accounting principles applicable to a “going concern”, which assumes that the company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

SELECTED QUARTERLY INFORMATION

<i>Item</i>	<i>Qtr4/08 Three Months Ended Oct 31, 2008</i>	<i>Qtr3/08 Three Months Ended July 31, 2008</i>	<i>Qtr 2/08 Three Months Ended April 30, 2008</i>	<i>Qtr 1/08 Three Months Ended Jan 31, 2008</i>
Cash & Cash Equivalents including short term investments	\$ 421,220	\$1,665,868	\$2,169,221	\$ 2,376,023
Mineral Properties, Deferred exploration	7,504,063	6,366,115	4,601,841	4,542,024
Working Capital	610,178	1,681,875	2,246,337	2,405,018
Net Sales	-	-	-	-
Gain (Loss) before extraordinary items	(155,403)	60,479	(171,678)	(90,846)
Loss per share	(0.00)	(0.00)	(0.01)	(0.02)
Fully diluted loss per share	(0.00)	(0.00)	(0.01)	(0.01)
Total Assets	8,507,240	8,515,978	7,017,851	7,151,543
Total Long Term Financial Liabilities	-	6,247	17,108	18,944

<i>Item</i>	<i>Qtr 4/07 Three Months Ended Oct 31, 2007</i>	<i>Qtr 3/07 Three Months Ended July 31, 2007</i>	<i>Qtr 2/07 Three Months Ended April 30, 2007</i>	<i>Qtr 1/07 Three Months Ended Jan 31, 2007</i>
Cash & Cash Equivalents including short term investments	\$ 2,120,003	\$ 2,839,554	\$ 2,761,461	\$ 236,049
Mineral Properties, Deferred exploration	4,521,506	3,034,035	2,458,845	2,457,201
Working Capital	2,277,845	2,649,460	2,706,496	273,455
Net Sales	-	-	-	-
Gain (Loss) before extraordinary items	(460,362)	(267,320)	27,379	(51,061)
Loss per share	(0.02)	(0.02)	0.01	(0.01)
Fully diluted loss per share	(0.02)	(0.02)	0.00	(0.01)
Total Assets	7,021,419	6,353,626	5,389,156	2,915,464
Total Long Term Financial Liabilities	23,357	44,396	44,396	44,396

The above table is stated in dollars. These financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assumes that the company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

RESULTS OF OPERATIONS

The principal focus of the Company is the continued exploration and development of exploration properties. The Company has also been reviewing additional properties to obtain and develop properties that are more easily assessable and have a longer exploration window. During the 2008 exploration period, work was directed primarily to the Mount Copeland and Red Bird Molybdenum properties.

Fourth Quarter Financial Variance Analysis

The Company's income for the final reporting quarter of 2008 consisted solely of interest income of \$9,382 (2007 – \$28,598)

Expenses for the quarter were \$293,960 lower than prior year. The largest reduction was the lower stock compensation expense of \$337,927, Investor Relations of \$6,377 and reduced amortization of \$12,957, whereas expenses were higher in the following categories:

- Increased management fees \$5,000 which related to a management remuneration rate adjustment in fiscal 2007;
- Increased meeting expense of \$16,337 resulting from formal Directors meetings and a cancelation of venue for 2009.;
- Increased legal expense of \$8,199
- Increased advertising expense of \$5,355.

Annual Financial Variance Analysis

The Company's income for the Fiscal year ended October 31, 2008 consisted of interest income of \$59,620 (2007 – \$64,742)

Expenses for the year were \$326,089 lower than prior year. The largest reduction was the lower stock compensation expense of \$464,719 and expenses increased in the following categories:

- Increased management fees \$24,700 which related to a management remuneration rate adjustment in fiscal 2007;
- Increased meeting expense of \$12,891 resulting from formal Directors meetings and a cancelation of venue for 2009.;
- Office compensation of \$11,189
- Increased Investor relations \$61,047 resulting from a promotional trip and additional media exposure.
- Increased Professional Fees \$22,359 resulting primarily from increased legal expenses
- Increased advertising expense of \$6,862.

The net result for the year was a loss of \$357,448 versus a loss last year of \$751,364. The Company has booked a \$315,199 future income tax recover (2007 -\$ 242,250).

The Company's status is that of a non-revenue producing exploration company. As the Company has no main source of income, losses are expected.

Exploration on the properties for the year was \$2,053,933 (Net of grants and other recoverable - \$1,759,003) for the exploration programs at Mount Copeland, Red Bird and Grouse Mountain properties.

LIQUIDITY AND CAPITAL RESOURCES

At the end of the fiscal year, October 31, 2008, Torch reported working capital of \$610,178 (\$2,277,845 – fiscal 2007) and cash & cash equivalents including cashable short term investments of \$421,220 (\$2,120,003 – fiscal 2007). Short term investments consist only of cashable Guaranteed Investment Certificates that are placed with a major Canadian bank. The company anticipates that the working capital amount at the end of the fiscal 2008 year, combined with GST and Corporate tax receipts and the flow through announcement of \$50,000 in February, 2009 will provide the liquidity for spring exploration programs, option commitments as well as the administrative operations of the Company. Further private placements are anticipated but it is the intent of the Company to balance cash against any share dilution.

Torch currently does not have credit facilities with financial institutions and does not anticipate that it will generate revenue from its activities in fiscal 2009; therefore it will rely on its ability to obtain equity financing for operations. The Company received Flow Through Private Placements totaling \$1,068,471 (\$299,991, \$200,000, \$460,530, \$107,950), \$145,000 from the purchase of warrants and \$75,300 from the purchase of options during the year. There were no Private Placements, Warrants or Options purchased or redeemed in the fourth quarter of operations. Management anticipates that it will be able to raise sufficient capital to further explore and develop its properties and carry out its projects in the future. The Company, however, cannot provide any assurance that equity financing will be available on terms and conditions acceptable to the Company.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet arrangements.

WORK CONDUCTED IN 2008

The Company conducted an aggressive drill program in 2008, expending \$646,768 on the Mount Copeland project and \$1,404,802 on Red Bird.

The drilling program at Mount Copeland commenced in July and was completed at the end of August. A total of 2,164 meters (7,142 feet) was drilled. That program targeted the possible extension of molybdenum mineralization mined from 1970 to 1973.

At Redbird, there was a total of 5,034 meters (16,516 feet) comprising 14 holes drilled throughout the June to September work period. The program was directed at near surface higher grade mineralized targets in the original Main Zone and deeper targets west of that Zone and in the SE and SW Zones. The plan was to assess the property to increase confidence of potential starter pit areas. The deep extension of the Main zone was also drilled to hopefully increase the indicated resource.

WORK PLAN 2009

Budgets are currently being prepared for the 2009 work season. The current expectation is that preliminary work will be done this spring on the Nahmint copper / moly property which was optioned February 12, 2009. This project should include a proposed program consisting of grid lines that will be used for rock chip sampling, soil sampling, and magnetometer surveys. A small work program is also planned for Grouse Mountain. A new NI 43-101 is planned for both the Nahmint and Mount Copeland properties. These will be evaluated and used to further assess summer programs.

RISK AND UNCERTAINTIES

Exploration and mining companies face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible.

The principal activity of the Company is mineral exploration and it is inherently risky. Exploration is also capital intensive and the Company currently has no source of income other than those described in the circular. Only the skills of its management in the mineral exploration and exploration financing serve to mitigate these risks and therefore are one of the main assets of the Company.

SHARES ISSUED AND OUTSTANDING

As at October 31, 2008 the company had 52,742,657 common shares issued and outstanding. There are 66,271,683 commons shares on a fully diluted basis. During the fiscal year, the Company issued 5,386,480 common shares, exercised 580,000 warrants, 530,000 options and 2,200,000 shares were issued for property.

APPROVAL

The Audit Committee of the Board of Directors appointed by the Board and consisting of three independent directors, has reviewed this document pursuant to its mandate and charter. The Board of Directors of Torch River Resources Ltd. has approved the disclosure contained in the MD&A.

This MD&A is available on the Company's SEDAR site accessed through www.sedar.com

FORWARD LOOKING STATEMENTS

The MD&A contains certain forward looking statements, except for historical information. These statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, levels of activity, performance, and/or achievements expressed or implied by these forward looking statements to vary.

Actual results could differ materially from those currently anticipated due to any number of factors, including such variables as new information regarding potential mineral reserves, changes in demand for and commodity prices of molybdenum, legislative, environmental and other regulatory approval or political changes.

OTHER REQUIREMENTS

Additional information relating to the Company is available on Sedar at www.sedar.com and on the Company's website www.torchriver.ca.